

EXHIBIT B

1. Non-privileged excerpted portions of the claim activity file notes from Claim 53-127Q-544 are attached to this Declaration as *Exhibit 1*.

6. State Farm contacted Mr. Hinojosa on May 9, 2012, to get additional information regarding the loss and schedule an inspection of the home. During the call, Mr. Hinojosa indicated that there was no interior damage or broken windows. The inspection of the home took place on May 16, 2012, with Mr. Hinojosa present, and no hail damage was found. At the conclusion of the inspection, the State Farm adjuster went over the findings from the inspection with Mr. Hinojosa.

7. On October 3, 2014, State Farm invoked appraisal and appointed Darrell Edwards as appraiser. A copy of the appraisal demand letter is attached to this Declaration as *Exhibit 2*. Mr. Hinojosa responded to the appraisal demand and appointed Gene Riley as appraiser. A copy of Mr. Hinojosa's letter appointing an appraiser is attached to this Declaration as *Exhibit 3*. The two appraisers agreed that Cecil Parker would serve as umpire.

8. On January 13, 2016, State Farm received a copy of an appraisal award signed by appraiser Edwards and umpire Parker, setting the amount of loss at \$2,945.08, on a replacement cost basis, and \$2,894.08, on an actual cash value basis. A copy of the appraisal award is attached as *Exhibit 4*.

9. On January 19, 2016, State Farm timely tendered payment of the award (minus depreciation and the deductible) in the amount of \$1,684.08. Replacement cost benefits of \$51.07 are available to Mr. Hinojosa if he completes repairs of the damaged property identified in the appraisal award and submits appropriate documentation of the completed repairs. To date, Mr. Hinojosa has not submitted any repair documentation for the items identified in the appraisal award. A copy of the January 19, 2016 letter issuing the appraisal payment is attached to this Declaration as *Exhibit 5*.

10. Exhibits 1 and 5 attached to this Declaration are true and correct copies of State Farm business records which were either obtained by or were made by, or from information transmitted by persons with knowledge of the events recorded therein, and the entries were made at or near the time of the events recorded. It is the regular practice of State Farm to keep these types of documents in the course of regularly conducted business.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 3rd day of February 2016.

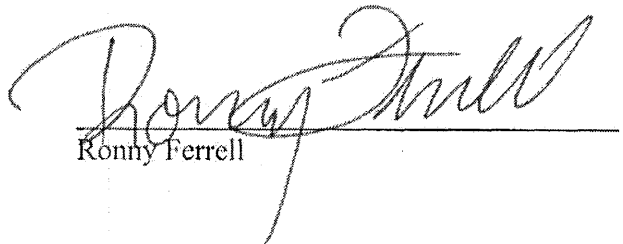

Ronny Ferrell

EXHIBIT B-1

Redacted

10-04-2012 -10:42:56 AM CDT	Performer: Copeland, Charles	Office: CATHRU
File Note: incoming call from AO asking to recieve copy of de		
Participant:	COL / Line (Participant): 35 / 001 (Named Insured(s))	
Category: Investigation	Sub Category:	

Date: 09-18-2014

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Hinojosa 000025

FIRE

Claim Number: 53-127Q-544

RBZ00015

incoming call from AO asking to receive copy of denial letter. Advised no letter in file and no estimate. She requested initial adjuster's name and I provided Jorge Gomez as initial fcr.

10-01-2012 - 2:21:39 PM CDT **Performer:** Addison, Justin K **Office:** CATHRU
File Note: Pending
Participant: **COL / Line (Participant):** 35 / 001 (Named Insured(s))
Category: Pending **Sub Category:**
 Pending:all handling completeclaim remains closed

10-01-2012 - 2:21:27 PM CDT **Performer:** Addison, Justin K **Office:** CATHRU
File Note: Call from A/O; claim remains closed CWP
Participant: **COL / Line (Participant):** 35 / 001 (Named Insured(s))
Category: Claim Note **Sub Category:**
 Rec'd incoming phone call from Melda (IA6X) w/ A/O requesting a copy of the roof denial letter be faxed to their office at 956-687-9150. CH obliged. No additional handling necessary, claim remains closed CWP.

05-16-2012 - 12:54:36 PM CST **Performer:** Jorge Gomez **Office:** System
File Note: Claim Offline Upload
Participant: **COL / Line (Participant):**
Category: Claim Note **Sub Category:**
 Met with Ph. Oscar Hinojosa Jr. and his father Oscar Hinojosa. As per PH no interior damage. CR inspected roof and found no ADPL on any of the slopes. Roof is a gable roof with 20 yr. shingles about 10 years old in good condition, 5/12 pitch NO ADPL found on turtle vent or roof pipe jacks. Exhaust vent showed damaged unrelated to the 4-20-12 storm. CR inspected all 4 elevations and found no ADPL. There is no other structures on property. CR explained inspection findings to PH and they indicated that probably the 2 big trees on back helped to protect property. CR invited PH to climb roof but declined. CR printed roof denial letter and provided to PH. CR closing file as CWP 35/001. Nothing pends.
 COV A: \$ 0.00
 COV B: \$ 0.00
 TOTAL VALUE OF CLAIM: \$ 0.00
 COV A DEPR: \$ (0.00)
 NON-RECOVERABLE COV A DEPRECIATION: <0.00>
 COV B DEPR: \$(0.00)
 DEDUCTIBLE: \$ <1,210.00>
 TOTAL PAYABLE:\$ 0.00

Close claim: Please CWP COL 35/001 and assign CO to ILU.

05-09-2012 - 7:30:39 PM CST **Performer:** Gomez, Jorge **Office:** CTXCOMP
File Note: Contact
Participant: **COL / Line (Participant):**
Category: Claim Note **Sub Category:**
 PIP nd spoke with Blanca Hinojosa, PH's mother. She indicated that she is not familiar with the damages to the property. She asked CR to call husband aPIP CR called PIP and spoke with PH Oscar Hinojosa who indicated that there is possible hail damage to roof, no broken windows, no interior damage. CR set appointment for Wednesday 5/16/12 1-2 PM.

05-09-2012 - 5:53:58 AM CST **Performer:** Autry, Darren **Office:** CTXCOMP
File Note: Reassignment
Participant: **COL / Line (Participant):**
Category: Management **Sub Category:**
 Spanish speaking adjuster requested - Reassigned to Jorge Gomez

05-07-2012 - 1:53:08 PM CDT **Performer:** System **Office:** System
File Note: Remarks from Loss Report User
Participant: **COL / Line (Participant):**
Category: New Claim **Sub Category:**

Date: 09-18-2014

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Hinojosa 000026

FIRE

Claim Number: 53-127Q-544

RBZ00015

Remarks from Agency: ROOF HAS HAIL DAMAGE**BLANCA HINOJOSA IS MR HINOJOSA'S MOTHER--- SPANISH
-PREFERRED.

Redacted

05-20-2012 - 5:42 PM CDT **Performer:** Event Processor **Office:** System

System Generated File Note: Basic claim information has been sent to ECA.

Participant: **COL / Line (Participant):**

Category: Claim Note

Basic information has been successfully sent to Electronic Claim Assignment for the claim - 53127Q544

05-17-2012 - 7:48 AM CDT **Performer:** Event Processor **Office:** System

System Generated File Note: Basic claim information has been sent to ECA.

Participant: **COL / Line (Participant):**

Category: Claim Note

Basic information has been successfully sent to Electronic Claim Assignment for the claim - 53127Q544

05-13-2012 - 8:05 PM CDT **Performer:** Event Processor **Office:** System

System Generated File Note: Basic claim information has been sent to ECA.

Participant: **COL / Line (Participant):**

Category: Claim Note

Basic information has been successfully sent to Electronic Claim Assignment for the claim - 53127Q544

05-09-2012 - 6:53 AM CDT **Performer:** Event Processor **Office:** System

System Generated File Note: Basic claim information has been sent to ECA.

Participant: **COL / Line (Participant):**

Category: Claim Note

Basic information has been successfully sent to Electronic Claim Assignment for the claim - 53127Q544

Date: 09-18-2014

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Hinojosa 000027

EXHIBIT B-2

WINSTEAD

Austin Dallas Fort Worth Houston San Antonio The Woodlands Washington, D.C.

401 Congress Avenue
Suite 2100
Austin, Texas 78701

512.370.2800 OFFICE
512.370.2850 FAX
winstead.com

Linda J. Burgess
direct dial: 512.370.2881
lbjburgess@winstead.com

October 3, 2014

VIA FAX: 713.714-1111

J. Steve Mostyn
Mostyn Law Firm
3810 W. Alabama Street
Houston, Texas 77027

Re: Insured: Oscar Hinojosa, Jr.
Claim No: 53-127Q-544
Policy No. 90-GC-6299-1
Date of Loss: April 20, 2012
Location: 3408 Toronto Avenue, McAllen, Texas 78503

Cause No. 7:14-cv-00633; *Oscar Hinojosa, Jr., Sergio Solis, and Bertha O. Solis v. State Farm Lloyds, Richard Freymann and Jorge Gomez*; In the U.S. District Court, Southern District of Texas, McAllen Division

Dear Mr. Mostyn:

Please be advised that by this letter, State Farm Lloyds ("State Farm") demands appraisal of Claim No. 53-127Q-544 under the rental dwelling policy issued by State Farm. The policy provides as follows:

SECTION 1 – CONDITIONS

6. Appraisal. If you and we fail to agree on the amount of loss, either one can demand that the amount of the loss be set aside by appraisal. If either makes a written demand for appraisal, each shall select a competent, disinterested appraiser. Each shall notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, you or we can ask a judge of a court of record in the state where the **residence premises** is located to select an umpire. The appraisers shall then set the amount of the loss. If the appraisers submit a written report and an agreement

J. Steve Mostyn
Page - 2
October 3, 2014

to us, the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of these three shall set the amount of the loss. Each appraiser shall be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by you and us.

State Farm requests appraisal of the amount of loss, stating separately the actual cash value and loss to each item. State Farm also requests appraisal of the full costs of repair or replacement of loss to such dwelling and/or other structure, without deduction for depreciation.

State Farm appoints appraiser Darrell Edwards. Mr. Edwards can be reached at:

Darrell Edwards
Mission Restoration, Inc.
2302 Chestnut Oak Pl.
The Woodlands, Texas 77380
Tel: (281) 615-0713
Email: doedwards@doedwards.com

By this request, State Farm does not waive any of the policy provisions, conditions, exclusions or limitations, and in fact, intends to rely on them throughout the appraisal process. The appraisal award will be subject to the policy's provisions, conditions, exclusions and limitations.

We look forward to receiving notification of your selected appraiser.

Very truly yours,


Linda J. Burgess
Counsel for State Farm Lloyds

cc: Rett Holiday
Germer PLLC

EXHIBIT B-3



October 15, 2014

VIA FACSIMILE (512) 370-2850

Ms. Linda J. Burgess
WINSTEAD
401 Congress Avenue, Suite 2100
Austin, Texas 78701

VIA FACSIMILE (713) 739-7420

Mr. Rett Holiday
GERMER, PLLC
Three Allen Center
333 Clay Street, Suite 4950
Houston, Texas 77002

Re: Cause No. 7:14-cv-00633; *Oscar Hinojosa, Jr., Sergio Solis, and Bertha O. Solis*
vs. State Farm Lloyds, Richard Freymann and Jorge Gomez; In the U.S. District
Court, Southern District of Texas, McAllen Division

Dear Counsel:

Plaintiffs hereby appoint Gene Riley as their appraiser. Below is Mr. Riley's contact information:

Gene Riley
VALLEY WIDE RESTORATION SERVICES, INC.
701 Mozelle
Pharr, Texas 78577
Telephone: (956) 782-6100

Please do not hesitate to contact our office should you have any questions.

Sincerely,

THE MOSTYN LAW FIRM

Caroline L. Maida

Mostyn Law Firm

3810 W. Alabama Street Houston, Texas 77027 T 713 861 6616 F 713 861 8084

mostynlaw.com



EXHIBIT B-4

COMPANY: State Farm

CLAIM # 53-127Q-544

INSURED: Oscar Hinojosa

ADDRESS: 3408 Toronto
McAllen, Texas 78503

AWARD

We, the undersigned, pursuant to the within appointment, DO HEREBY CERTIFY that we have truly and conscientiously performed the duties assigned determined and do hereby award as the Actual Cash Value and the Replacement Cost Value of said property damaged by Wind / Hail

Item Dwelling \$2,945.15

Item Other Structures NA

Item _____

Item _____

Item _____

ACTUAL CASH VALUE \$2,894.08

TOTAL AMOUNT OF LOSS \$2,945.08

SPECIAL PROVISIONS:

1. Subject to policy provisions and deductible
2. Less any previous payments per this claim
3. Policy coverage to be addressed by others

Witness our hands this 4th day of January, 2016.

Darrell Edwards

Darrell Edwards APPRAISER

Gene Riley

Gene Riley APPRAISER

Cecil Parker

Cecil Parker UMPIRE

Cecil Parker

Insured: Oscar Hinojosa
Property: 3408 Toronto
McAllen, TX 78503

Estimator: Cecil Parker

Claim Number: 53-127Q-544

Policy Number:

Type of Loss: ---

Date of Loss:

Date Received:

Date Inspected:

Date Entered: 11/5/2015 7:59 PM

Price List: TXMC8X_NOV15
Restoration/Service/Remodel
Estimate: 53-127Q-544

Cecil Parker

53-127Q-544

Roof

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
1. Roofer - per hour	16.00 HR	71.51	0.00	240.28	1,384.44	(0.00)	1,384.44
Required to apply sealant to undamaged loose shingle tabs.							
2. (Material Only) Mastic calking*	30.00 EA	5.50	13.61	37.51	216.12	(0.00)	216.12
Totals: Roof			13.61	277.79	1,600.56	0.00	1,600.56

Left Elevation

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
3. R&R Clothes dryer vent cover	1.00 EA	24.00	0.44	5.13	29.57	(0.53)	29.04
Totals: Left Elevation			0.44	5.13	29.57	0.53	29.04

Rear Elevation

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
4. R&R Glazing bead - Vinyl	75.00 LF	1.45	3.59	23.60	135.94	(8.70)	127.24
5. R&R Window screen, 1 - 9 SF	2.00 EA	35.42	4.93	15.91	91.68	(11.94)	79.74
6. Seal & paint wood gable vent	1.00 EA	29.52	0.52	6.31	36.35	(1.27)	35.08
Totals: Rear Elevation			9.04	45.82	263.97	21.91	242.06

Right Elevation

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
7. R&R Glazing bead - Vinyl	75.00 LF	1.45	3.59	23.60	135.94	(8.70)	127.24
8. R&R Window screen, 1 - 9 SF	3.00 EA	35.42	7.39	23.87	137.52	(17.91)	119.61
9. Comb and straighten a/c condenser fins - with trip charge	1.00 EA	112.13	0.00	23.54	135.67	(0.00)	135.67
10. R&R Foam pipe insulation - 3/4" wall for 1/8" to 3/4" pipe	10.00 LF	3.56	0.83	7.64	44.07	(2.02)	42.05
Totals: Right Elevation			11.81	78.65	453.20	28.63	424.57

General

Cecil Parker

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
11. Haul debris - per pickup truck load - including dump fees	1.00 EA	97.79	0.00	20.54	118.33	(0.00)	118.33
12. General clean - up	3.00 HR	27.31	8.18	17.20	107.31	(0.00)	107.31
13. Temporary toilet (per month)	1.00 MO	132.01	0.00	27.72	159.73	(0.00)	159.73
14. Residential Supervision / Project Management - per hour	2.00 HR	50.30	0.00	21.13	121.73	(0.00)	121.73
15. Taxes, insurance, permits & fees (Bid item)	1.00 EA	75.00	0.00	15.75	90.75	(0.00)	90.75
Totals: General			8.18	102.34	597.85	0.00	597.85
Line Item Totals: 53-127Q-544			43.08	509.73	2,945.15	51.07	2,894.08

Cecil Parker

Summary for Dwelling

Line Item Total	2,392.34
Material Sales Tax	34.90
Subtotal	2,427.24
Overhead	242.72
Profit	267.01
Cleaning Sales Tax	8.18
Replacement Cost Value	\$2,945.15
Less Depreciation	(51.07)
Actual Cash Value	\$2,894.08
Net Claim	\$2,894.08
Total Recoverable Depreciation	51.07
Net Claim if Depreciation is Recovered	\$2,945.15

Cecil Parker

Cecil Parker

Recap of Taxes, Overhead and Profit

	Overhead (10%)	Profit (10%)	Material Sales Tax (8.25%)	Cleaning Mtl Tax (8.25%)	Cleaning Sales Tax (8.25%)	Manuf. Home Tax (5%)	Storage Rental Tax (8.25%)
Line Items	242.72	267.01	34.90	0.00	8.18	0.00	0.00
Total	242.72	267.01	34.90	0.00	8.18	0.00	0.00

Cecil Parker

Recap by Room**Estimate: 53-127Q-544**

Roof	1,309.16	54.72%
Left Elevation	24.00	1.00%
Rear Elevation	209.11	8.74%
Right Elevation	362.74	15.16%
General	487.33	20.37%
<hr/>		
Subtotal of Areas	2,392.34	100.00%
<hr/>		
Total	2,392.34	100.00%

Cecil Parker

Recap by Category with Depreciation

O&P Items	RCV	Deprec.	ACV
CLEANING	81.93		81.93
GENERAL DEMOLITION	147.29		147.29
PERMITS AND FEES	75.00		75.00
HEAT, VENT & AIR CONDITIONING	133.83	0.53	133.30
INSULATION - MECHANICAL	31.40	2.02	29.38
LABOR ONLY	100.60		100.60
PAINTING	29.52	1.27	28.25
ROOFING	1,309.16		1,309.16
TEMPORARY REPAIRS	132.01		132.01
WINDOW REGLAZING & REPAIR	351.60	47.25	304.35
O&P Items Subtotal	2,392.34	51.07	2,341.27
Material Sales Tax	34.90		34.90
Overhead	242.72		242.72
Profit	267.01		267.01
Cleaning Sales Tax	8.18		8.18
Total	2,945.15	51.07	2,894.08

EXHIBIT B-5



January 19, 2016

J. Steve Mostyn
Mostyn Law Firm
3810 W. Alabama St.
Houston, TX 77027

State Farm Insurance Companies
Fire Claims
PO Box 106169
Atlanta, GA 30348-6169
Fax 844 236 3646

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

RE: Insured: Oscar Hinojosa Jr.
Claim Number: 53-127Q-544
Policy Number: 90-GC-6299-1
Date of Loss: April 20, 2012
Location of Loss: 3408 Toronto
McAllen, TX 78503
Type of Loss/Occurrence: Hail

Dear Mr. Mostyn:

On January 13, 2016, we received the signed, itemized appraisal award for the above referenced claim. The award set the amount of loss at \$2,945.15.

Your copy of the award is enclosed, along with payment in the amount of \$1,684.08. This payment is calculated pursuant to the loss settlement provisions of the policy. For your convenience, here is a breakdown of the payment:

Appraisal Award RCV Amount:	\$ 2,945.15
Less Depreciation:	<\$ 51.07>
Less Deductible:	<\$ 1,210.00>
Actual Cash Value Payment Enclosed:	\$ 1,684.08

Replacement Cost Benefits Remaining if Incurred: \$51.07

The additional amount available for Replacement Cost Benefits (recoverable depreciation) is \$51.07.

To receive replacement cost benefits, Mr. Hinojosa must:

- Complete the actual repairs or replacement of the damaged part of the property; and
- Confirm completion of repairs or replacement, by submitting invoices, receipts or other documentation to his State Farm agent or claim office.

Without waiving the above requirements, we will consider paying replacement cost benefits prior to actual repair or replacement if we determine repair or replacement cost will be incurred

Providing Insurance and Financial Services

J STEVE MOSTYN
53-127Q-544
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because repairs are substantially under way or Mr. Hinojosa presents a signed contract acceptable to us.

State Farm is not waiving any of the policy coverages, limitations, exclusions or provisions, all of which are specifically reserved.

We appreciate the opportunity to participate in the appraisal process. If you have any questions or need further assistance, please contact me at the number listed below.

Sincerely,

Ronny Ferrell
Claim Specialist
844 529 5982 ext 9726572616
E-mail statefarmfireclaims@statefarm.com
State Farm Lloyds

01/341/2268395

Enclosure(s): Draft
Award Documents

cc: Rett Holiday (via email)
Germer PLLC